# Naval Medicine
# POM 06 Way Ahead

## Medical Resources, Plans and Policy Division (N931)

## Resource Management/Comptroller, Budget

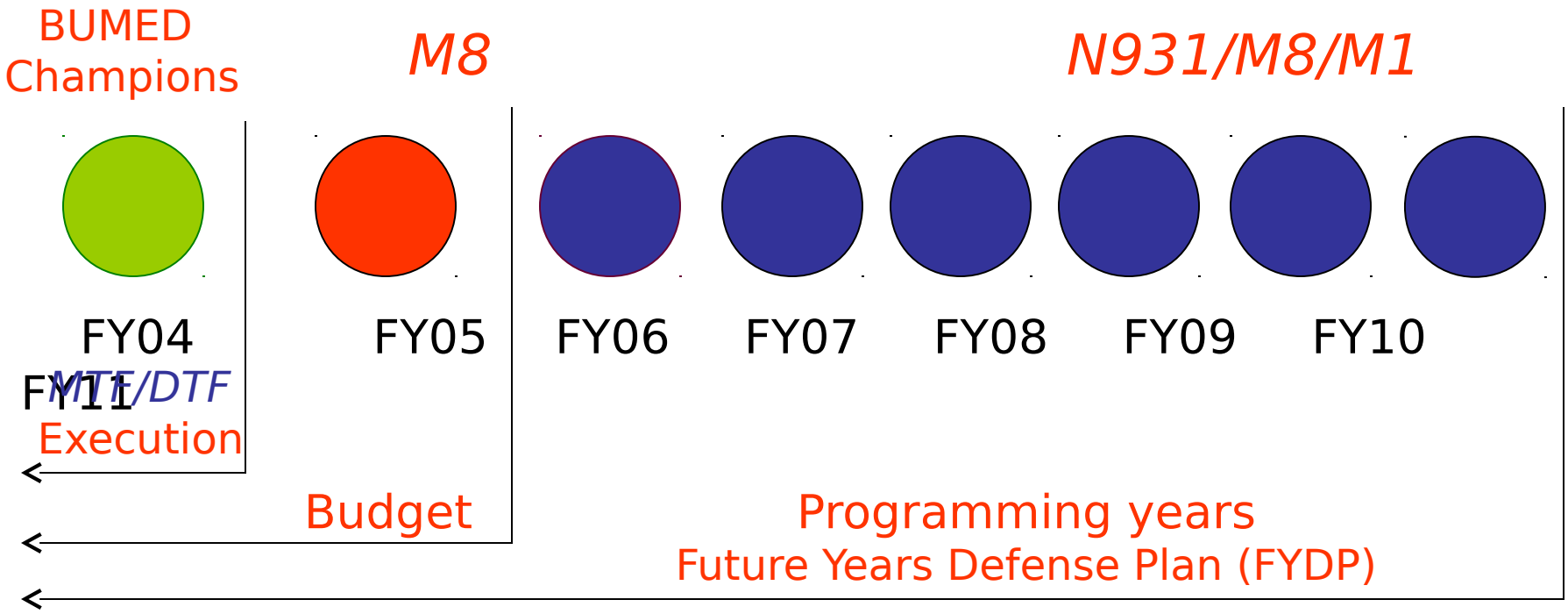
# CNO's "Main Thing"

## "Harvest Resources for Sea Power 21"

**Sea Power 21 - *Provides a "Clear vision of how our Navy will organize, integrate, and transform."*** (Admiral Vern Clark, Chief of Naval Operations)

NAVY MEDICINE
Steaming To Assist
Mission Changes
FLAGPOLE Studies
POM 06 ZBR (AC & RC)
AC/RC Mix
Transformation
WHY
NR Utilization Initiatives
Fleet Response Plan
Recapitalization
ZBR
BRAC 05
Reserve Backfil
MID 913: Streamlined PPBES Cycle
OEF/OIF Deployments
DHP Shortfall
Reconstitution
1-4-2-1 Defense Strategy Changes
OEF/OIF Lessons Learned
GWOT
THCSRR Model Validation
PR05 Bogeys
MID 911: Make-Buy & Mgmt Structure
WMD & HLS
CNO-Directed Above THCSRR Study
MID 907: A-76 Studies
Smaller Navy Force
PR05 Guidance

# Planning, Programming, Budgeting, and Execution: *Who's Got the Ball?*



# Naval Medicine Programs

~ $6.2 Billion per FY

- *Funded by the DHP*
  - **Hospitals and Clinics**
    - **CONUS and OCONUS**
  - **Dental Facilities**
    - **CONUS and OCONUS**
  - **Medical Readiness Training**
  - **Health Professions Scholarship Program (HPSP)**
    - **Tuition and fees**
  - **Public Health and Occupational Health**
  - **Private Sector Care**
    - **TRICARE Contracts**
  - **31,451 Active Duty Manpower**

~ $272 Million per FY

- *Funded by Navy**
  - **Fleet Hospitals**
  - **Hospital Ships**
  - **Reserve Programs (32,46)**
    - **Over 7,600 Reservists**
  - **RDT&E**
  - **Health Professions Scholarship Program (HPSP)**
    - **Stipend and AT costs**
  - **Shipboard Medical Equipment Replacement**
  - **599 Active Duty Manpower**

***Does not include medical personnel aboard ship, with the USMC, or organic to other line activities**

# N093 POM 06 Strategic Direction

*"The global war on terrorism and the Naval Power 21 transformational efforts represent shifting tectonic plates to Naval Medicine and present an extraordinary opportunity to us if we plan well and do it right. We must respond to this challenge by embarking on a deliberate course of action to ensure that we are aligned with and supporting the future fighting force.*

*We must view the future in the context of Naval Power 21 and align our resources to ensure that we are capable of meeting the Force Health Protection requirements of 21st century warriors and their families. POM 06 is our first opportunity to begin reshaping both Naval Medicine's support of a more versatile Navy and Marine Corps force and our business practices under the new TRICARE contracts."*

SG POM 06 Strategic Resourcing Objectives/Assessments ltr 14

# The Challenge

**Achieving an optimal balance between Readiness and Benefit Missions under the new TRICARE contracts**

# N093 POM 06 “The Main Things”

- Improving Expeditionary Medicine Capabilities
- Improving Expeditionary Medicine Training
- Protecting Forces Against WMD & Other Health Threats
- Recruiting/Retention/GME of the Right People Mix
- Leadership and Business Management Training
- Providing comprehensive Force Health Protection, Family Centered Care and Customer Service
- Improving clinical productivity and business performance measurement

# POM/BES Sea Change

- **Primary Emphasis on Strategic Issues**
  - ✓ Align Naval Medicine to Naval Power 21
  - ✓ Top to bottom understanding of challenges and solutions for the next generation of TRICARE contracts
- **Budget Costing Reviews**
  - ✓ Programmatic baselines reviewed
  - ✓ High interest areas analyzed for performance via business plans and metrics
  - ✓ Venture capital for SG priorities created from lowest priority programs
- **Issue Development Final Step Only**
  - ✓ Based on Executive Decision Making Process

# Difference in the Process

- **Process change:**
  - ✓ **Old**
    - Written question, written answer
    - Staff level follow-up
  - ✓ **New**
    - General review area
    - Sit-down staff review
    - Final Senior “Murder Board” review (similar to historical issue review)
    - Executive Decision Making Process

# N9SA Strategic Assessment Themes
# Focus on Planning and Programming

- Expeditionary Medicine
- GWOT and Private Sector Care
- Future Force Health Protection Capabilities
- Force Shaping
- Recruitment/Retention/Training
- NCA Healthcare Delivery
- CSG/ESG Home Porting
- Venture Capital
- Risk Taking Strategies

Deliverable: Brief and Issue Paper with baseline program resources, future resource requirements and risk based analysis of alternatives

# M8 Assessments
# Focus on Budget and Execution

- **Budget Costing Reviews**
  - ✓ Remove from strategic POM review
  - ✓ Consistent with PCP, BCP process, need offsets anyway
- **Status Reviews**
  - ✓ As leadership determines, i.e.
    - BUMED IPTs
    - Optimization projects
    - FY 06 New Programs

# M8 POM/BES Checkbook Changes

- **Champion**
  - ✓ Reassign Champions by PE
    - Based upon BUMED reorganization
  - ✓ Distribute FYDP controls
- **Activity Level**
  - ✓ FY 04 top line, straight-lined with inflation
    - POM 04 (FY 06) increases identified but not distributed
    - Special projects withheld

# M8 Venture Capital
# 5% Financing Mark

- **Activity, HSO level**
  - ✓Have HSO's analyze
  - ✓Minimal activity involvement
- **Champion**
  - ✓Review based upon FYDP distribution
  - ✓Lowest priorities priced and impact articulated
  - ✓No activity involvement
- **Executive Decision Making Process**

# POM/BES Issue Development

- **Activity, HSO level**
  - ✓ Activity input directly focused upon articulating business process and financing changes necessary to deliver healthcare under the next generation of TRICARE contracts
  - ✓ No other new POM issues

- **Champion Issues**
  - ✓ Primarily policy issues
  - ✓ Budget issues solved during BCP, PCP reviews
  - ✓ Venture capital from 5% baseline review available for both
  - ✓ Traditional “Murder Board” review

# Senior Leadership Decisions/Recommendations

- **Executive Decision Making Process**
  - ✓ Aligned to CNO Board of Director format
  - ✓ Vet issues and make recommendations
  - ✓ N931 moderator/facilitator
  - ✓ SG final decision maker

- **Evolve Transformation Roadmap**
  - ✓ Align Naval Medicine to Naval Power 21
  - ✓ Fully Develop NFHP-21 Strategic Vision
  - ✓ Identify short and long term action priorities
  - ✓ Align resources to support (use venture capital)
  - ✓ Measure performance via business plan and metrics

NAVY MEDICINE
Steaming
To
Assist

SEA POWER 21
Sea Shield
Sea Trial
Sea Warrior
Sea Enterprise
ForceNet
Sea Strike
Sea Basing

# Questions?

# Back-up

# N931Assessments Focus on Planning and Programming

| No | Issue | Action | Due to N931 |
|---|---|---|---|
| 1 | Assess the realignment of PML 500 from M4 to M3F. Identify pros and cons of this realignment. | M4, M3F | **31 Jan 04** |
| 2 | Assess current and emerging FDPMU requirements and identify resource gaps and risks. | N931, M11, M3F | **31 Jan 04** |
| 3 | Assess current expeditionary medicine capabilities and develop a plan to reshape capabilities to support Global CONOPs, Seabasing, and Operational Maneuver from the Sea operations. Identify resource gaps and risks. | Expeditionary Medicine WG | **28 Feb 04 (Interim assessment)** |
| 4 | Assess the current research and development resources with the objective of optimizing laboratories and aligning customer support predominantly to Naval warfighter protection requirements. Identify resource savings and risks. | M2, M8, N931 | **31 Jan 04** |

# N931Assessments Focus on Planning and Programming

| No | Issue | Action | Due to N931 |
|---|---|---|---|
| 5 | Assess the reserve medical force structure and develop a plan to restructure, reshape, and right-size the force to be more agile, responsive and surge capable. | N931R, Reserve Force IPT | **31 Mar 04** |
| 6 | Assess the Tiered Readiness and Component UIC framework to determine whether changes are required to meet the CNO's Surge Force objectives and new TRICARE Contract requirements. Are changes required to achieve an optimal balance of readiness and benefit delivery? Identify resource gaps and risks. Include in the assessment support of Army ground forces as a new mission. | M1, M3F, M3M | **31 Jan 04** |
| 7 | Assess training and career development capabilities and align them to support expeditionary medicine. Identify resource requirements. | NMETC | **31 Jan 04** |

# N931Assessments Focus on Planning and Programming

| No | Issue | Action | Due to N931 |
|---|---|---|---|
| 8 | Assess Above-THCSRR billets and develop a POM 06 civilian conversion plan for those military billets identified as more costly than the civilian alternative. Assess risks and conversion start-up costs. | N931, M1, M8, M3D, M3M | **31 Mar 04 (Assessment and plan)** |
| 9 | Develop dash board metrics that provide N093 and Flag ESC measurable and meaningful status of MTF/DTF profit and loss margins, operational readiness, and clinical productivity. | M8, M3M, M3D | **31 Jan 04 (Interim assessment)** |
| 10 | Assess current MTF/DTF organizational structures and relationships with the objective of consolidating flagpoles. | MTF/DTF Integration IPT | **31 Mar 04** |

# N931Assessments Focus on Planning and Programming

| No | Issue | Action | Due to N931 |
|---|---|---|---|
| 11 | Conduct an in-house analysis of WRAMC and NNMC capabilities and develop strategies and risk assessments for consolidation alternatives including downsizing NNMC to a community hospital or ambulatory care center. | M3M, NMETC, M8 | **28 Feb 04** |
| 12 | Conduct an in-house analysis to determine increased/transferred medical capability requirements for the movement of a Carrier Strike Group or Expeditionary Strike Group homeport. Include in this assessment forward porting of a hospital ship. (Locations to be provided) | M1, M8, M3D, M3M | **28 Feb 04** |
| 13 | Assess recruitment and retention program requirements (HPSP, HPLRP, FAP, NCP, HSCP, and Special Pays) to ensure there are sufficient RPN, MPN and DHP funds to meet attainable sourcing objectives for critical wartime and operational day to day specialties required to support expeditionary medicine. | NMETC, M8, M1, Corps Chiefs, Career Planners | **28 Feb 04** |

# N931Assessments
# Focus on Planning and Programming

| No | Issue | Action | Due to N931 |
|---|---|---|---|
| 14 | Develop a methodology/tool for measuring Primary Care clinical productivity and a plan to remove the organizational and cultural barriers that inhibit provider performance. | M3M, M8 | **28 Feb 04** |
| 15 | Identify reasonable Navy Program risk taking strategies to support transformational expeditionary medicine capabilities and training requirements. | N931 | **31 Jan 04** |
| 16 | Evaluate FY02 and FY03 CHRISM facility performance against Health Services and Support Contractor performance. Identify profit and loss with readiness effects. | M8, M3M | **28 Feb 04** |
| 17 | Assess the feasibility of creating a DHP venture capital fund within existing resources to support benefit delivery strategic objectives. | M8 | **28 Feb 04** |